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United Nations Industrial Development Organization

Industrial Development Board

Eighth session

SUMMARY RECORD OF THE 10th MEETING

Held at the Vienna International Centre, Vienna,
on Friday, 5 July 1991, at 8.30 p.m.

President: Mr. TOFIGH (Islamic Republic of Iran)

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The meeting was called to order at 9.35 p.m.

INTRODUCTION OF DRAFT DECISIONS

1. The PRESIDENT said that a number of agenda items were still open for possible adoption of decisions. He would now ask the Board to consider draft decisions on those items (IDB.8/L.1-33 and L.35-42), which had been the subject of discussion in informal consultations.

2. Mrs. JALLAWY (Egypt), speaking as Chairman of the informal consultations established with a view to facilitating the drafting of decisions, informed the Board that consensus had been reached on 41 draft decisions. Two draft decisions had been proposed on agenda item 17, and the item was referred to the plenary.

ANNUAL REPORT OF THE DIRECTOR-GENERAL FOR 1990 ON THE ACTIVITIES OF THE ORGANIZATION (continued) (IDB.8/10 and Corr.1; IDB.8/CRP.6; IDB.8/L.6)

3. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.6 on agenda items 4 and 11 (b).

4. The draft decision was adopted.

UNIDO POLICIES (continued)

(a) UNIDO TECHNICAL COOPERATION ACTIVITIES IN 1990 (continued)

(b) ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES (continued)

(c) REGIONAL COOPERATION PROGRAMME FOR THE INDUSTRIAL RECOVERY OF LATIN AMERICA AND THE CARIBBEAN (continued)

(d) SPECIAL PROGRAMME FOR THE INDUSTRIAL DEVELOPMENT OF ASIA AND THE PACIFIC (continued)

(e) DEVELOPMENT OF HUMAN RESOURCES (continued)

(f) TRANSFER OF TECHNOLOGY (continued)

(g) ENERGY PROGRAMME (continued)

(IDB.8/9, IDB.8/10 and Corr.1, IDB.8/13, 16, 17, 24-26, 29, 46 and Corr.1 and 47; IDB.8/CRP.1 and Corr.1; IDB.8/L.1, L.1/Amend.1, L.2-5, L.14, L.15, L.19, L.22 and L.24)

5. The PRESIDENT drew attention to draft decision IDB.8/L.22, relating to agenda item 5 as a whole.

6. The draft decision was adopted.

7. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.19 on item 5 (a).

8. The draft decision was adopted.

9. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.14 on item 5 (b).

10. The draft decision was adopted.

11. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.1 on item 5 (c), and to the amendment to that draft decision submitted by a group of countries in document IDB.8/L.1/Amend.1.

12. Mr. SALAS BARAHONA (Peru), speaking on behalf of the sponsors of the amendment in document IDB.8/L.1/Amend.1, said he wished, in the interest of consensus, to withdraw the amendment. He wished it to be placed on record that the Latin American countries appreciated the efforts made by the Secretariat staff directly responsible for the Regional Cooperation Programme, efforts which had culminated in two of the projects in the Programme, concerning subcontracting and automation in the capital goods industry. They were also grateful for the interest shown in the Programme and support given to it by donor countries. Their concern was now focused on the remaining areas of the Programme, where they considered that the preparatory activities could be accelerated.

13. Draft decision IDB.8/L.1 was adopted.

14. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.2 on item 5 (d).

15. Mr. DJATMIKO (Indonesia) proposed that paragraph (c) (iii) of draft decision IDB.8/L.2 should be amended to read: "That the specific priority areas indicated in paragraph 3 of resolution GC.3/Res.18 be covered in the formulation of project proposals for the UNDP fifth programming cycle (1992-1996)."

16. It was so agreed.

17. The draft decision, as amended, was adopted.

18. The PRESIDENT drew the Board's attention to draft decisions IDB.8/L.3 and IDB.8/L.24 on item 5 (e).

19. Draft decision IDB.8/L.3 was adopted.

20. Draft decision IDB.8/L.24 was adopted.

21. The PRESIDENT drew the Board's attention to two draft decisions on item 5 (f): draft decision IDB.8/L.4 on the transfer of technology, and draft decision IDB.8/L.15 on the proposed international centre for science and high technology.

22. Draft decision IDB.8/L.4 was adopted.

23. Draft decision IDB.8/L.15 was adopted.

24. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.5 on item 5 (g).

25. The draft decision was adopted.

INDUSTRIAL INVESTMENT PROMOTION (continued) (IDB.8/18; IDB.8/CRP.2; IDB.8/L.12)

26. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.12.

27. The draft decision was adopted.

UNIDO COUNTRY DIRECTOR PROGRAMME (continued) (IDB.8/27; IDB.8/L.20)

28. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.20.

29. The draft decision was adopted.

SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA (continued) (IDB.8/23; IDB.8/L.18)

30. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.18.

31. The draft decision was adopted.

TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE (continued) (IDB.8/28)

32. The PRESIDENT said that no draft decision had been tabled under that item. He suggested that the Board should take note of the progress report by the Director-General on the subject (IDB.8/28) and the statements made during the debate, in particular by the Secretariat.

33. It was so decided.

PERSONNEL MATTERS (continued):

(a) WOMEN IN THE SECRETARIAT (continued)

(b) UNITED NATIONS JOINT STAFF PENSION FUND (continued)

(IDB.8/15, 20, 35 and 49; IDB.8/L.23, L.25, L.33 and L.35)

34. The PRESIDENT drew the Board's attention to two draft decisions relating to agenda item 10 as a whole: draft decisions IDB.8/L.33 and IDB.8/L.35.

35. Draft decision IDB.8/L.33 was adopted.

36. Draft decision IDB.8/L.35 was adopted.

37. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.23 on item 10 (a).

38. The draft decision was adopted.

39. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.25 on item 10 (b).

40. The draft decision was adopted.

41. The PRESIDENT pointed out that related to item 10 was a draft decision (IDB.8/L.31) which would be submitted under item 11 (g) (Financial regulations) but which also dealt with staff regulations.

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE (continued) (IDB.8/19 and Corr.1 and Add.1)

(a) SCALE OF ASSESSMENTS (continued) (IDB.8/4 and Add.1; IDB.8/L.7)

42. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.7.

43. The draft decision was adopted.

(b) INTERIM FINANCIAL PERFORMANCE REPORT AND PROGRAMME PERFORMANCE REPORT (continued) (IDB.8/10; IDB.8/L.7)

44. The PRESIDENT recalled that a decision relating to that sub-item (IDB.8/L.6) had already been adopted under agenda item 4.

(c) FINANCIAL SITUATION OF UNIDO (continued) (IDB.8/36; IDB.8/CRP.3; IDB.8/L.30)

(d) BALANCES OF APPROPRIATIONS FOR THE BIENNIUM 1986-1987 RESULTING FROM THE SUSPENSION OF FINANCIAL REGULATIONS 4.2 (b) AND 4.2 (c) (continued) (IDB.8/L.30)

45. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.30 relating to sub-items (c) and (d) of item 11.

46. The draft decision was adopted.

(e) PROGRAMME AND BUDGETS, 1992-1993 (continued) (IDB.8/8/Rev.1 and Add.1; IDB.8/L.26, L.28 and L.29)

47. The PRESIDENT drew the Board's attention to draft decisions IDB.8/L.26 on the programme and budgets, 1992-1993, IDB.8/L.28 on the 15 per cent reserve of total appropriations and IDB.8/L.29 on the split-currency system of assessment.

48. Draft decision IDB.8/L.26 was adopted.

49. Draft decision IDB.8/L.28 was adopted.

50. Draft decision IDB.8/L.29 was adopted.

(f) WORKING CAPITAL FUND (continued) (IDB/8/7, IDB.8/36; IDB.8/CRP.3; IDB.8/L.8)

51. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.8.

52. The draft decision was adopted.

(g) FINANCIAL REGULATIONS (continued) (IDB.8/31; IDB.8/L.31)

53. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.31.

54. The draft decision was adopted.

(h) EXAMINATION OF THE PRACTICE OF ZERO REAL GROWTH BUDGETS (continued) (IDB.7/28; IDB.8/CRP.5; IDB.8/L.21)

55. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.21.

56. The draft decision was adopted.

(i) APPOINTMENT OF AN EXTERNAL AUDITOR (continued) (IDB.8/L.9)

57. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.9.

58. The draft decision was adopted.

(j) INDUSTRIAL DEVELOPMENT FUND (continued) (IDB.8/10, IDB.8/11; IDB.8/L.10)

59. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.10.

60. The draft decision was adopted.

(k) FOLLOW-UP OF RECOMMENDATIONS OF THE EXTERNAL AUDITOR FOR THE FINANCIAL PERIOD 1988-1989 (continued) (IDB.8/L.13)

61. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.13.

62. The draft decision was adopted.

MEDIUM-TERM PLAN, 1992-1997 (continued) (IDB.8/30; IDB.8/L.11)

63. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.11.

64. The draft decision was adopted.

SPECIAL TRUST FUND PROJECTS (continued) (IDB.8/38; IDB.8/L.38)

65. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.38.

66. The draft decision was adopted.

SYSTEM OF CONSULTATIONS (continued) (IDB.8/21, IDB.8/22; IDB.8/L.16)

67. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.16.

68. The draft decision was adopted.

PROGRESS REPORT ON NEW CONCEPTS AND APPROACHES FOR COOPERATION IN RESPECT TO INDUSTRIAL DEVELOPMENT IN CONFORMITY WITH ARTICLE 2 (c) OF THE CONSTITUTION (continued) (IDB.8/39)

69. The PRESIDENT said that no draft decision had been tabled for that agenda item.

EVALUATION OF THE OBJECTIVES AND FUNCTIONS OF UNIDO IN VIEW OF RECENT CHANGES AND DEVELOPMENTS IN THE WORLD (continued) (IDB.8/33, IDB.8/40; IDB.8/L.17)

70. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.17.

71. The draft decision was adopted.

ORGANIZATIONAL AND STAFF STRUCTURE (continued) (IDB.8/45)

72. The PRESIDENT presented the following statement:

"The Industrial Development Board:

"(a) Recalls General Conference decision GC.2/Dec.22 and resolution GC.3/20, as well as Industrial Development Board decision IDB.7/Dec.23 concerning the organizational and staff structure of UNIDO;

"(b) Takes note with appreciation of the report of the working group established by the Board on the subject (PBC.7/12 and Corr.1);

"(c) Takes note of the information presented by the Director-General in document IDB.8/45 - GC.4/19;

"(d) Recognizes that the Director-General, as the Chief Administrator, has the overall responsibility and authority to direct the work of the Organization and, under the authority of and subject to the control of the Board, is responsible for the appointment, organization and functioning of the staff;

"(e) Recognizes that more time is needed to reach a consensus on the nature of possible changes to UNIDO's organizational and staff structure;

"(f) Encourages representatives of Member States, under the guidance of the Bureau, to engage in informal consultations on this issue on the basis of views expressed and proposals put forward with a view to reaching a decision at the fourth session of the General Conference."

73. Mr. KHERBI (Algeria) questioned the words "with appreciation" in paragraph (b) of the statement just presented. Perhaps the Board should simply "take note" of the information referred to in paragraphs (b) and (c) together. Concerning paragraph (c), he hoped the Board would take note of his delegation's comments on document IDB.8/45, especially the footnote to annex II, which his delegation could not accept (see document IDB.8/SR.4, para. 41).

74. The PRESIDENT said that the statement of the representative of Algeria would be noted.

INDUSTRIAL DEVELOPMENT COOPERATION AND DIVERSIFICATION AND MODERNIZATION OF PRODUCTIVE ACTIVITIES IN DEVELOPING COUNTRIES (continued) (IDB.8/32)

75. The PRESIDENT pointed out that, in compliance with General Assembly resolution 45/196, UNIDO was to submit recommendations on the subject to the General Assembly through the current session of the Economic and Social Council.

76. Since some members of the Board did not seem to agree with all the recommendations proposed by the Director-General in document IDB.8/32, he asked whether he could have the Board's authorization to comply with the request of the General Assembly by transmitting to the General Assembly, through the President of the Economic and Social Council, document IDB.8/32 accompanied by the views expressed by members during the debate on agenda item 19.

77. Mr. HABERLI (Switzerland) said that there had been little time for debate on agenda item 19. Document IDB.8/32 expressed only the views of the Secretariat, and it would not be proper for it to be submitted by the President of the Board. Instead, he proposed that document IDB.8/32 should be transmitted by the Secretariat of UNIDO, through the secretariat of the Economic and Social Council, to the General Assembly. The same would apply in respect of the next agenda item (item 20).

78. It was so decided.

IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES (continued) (IDB.8/2)

79. The PRESIDENT said that the General Assembly, in resolution 45/234, had recommended to the governing bodies of the organizations of the United Nations system that they report through the Economic and Social Council at its current regular session on steps taken to fulfil the commitments and policies agreed upon in the Declaration on International Economic Cooperation.

80. He proposed that the Secretariat should be asked by the Board to transmit to the General Assembly at its forty-sixth session, through the Secretariat of the Economic and Social Council, document IDB.8/32 which reflected how UNIDO was responding to the concerns of the General Assembly, as explained in document IDB.8/2 - accompanied by the relevant summary records.

81. It was so decided.

HEADQUARTERS AGREEMENT BETWEEN UNIDO AND THE REPUBLIC OF AUSTRIA AND SPACE REQUIREMENTS OF THE VIENNA-BASED ORGANIZATIONS (continued) (IDB.8/34, IDB.8/41; IDB.8/L.42)

82. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.42.

83. The draft decision was adopted.

JOINT UNIDO/UNITED NATIONS CONFERENCE SERVICE (continued) (IDB.8/43; IDB.8/L.32)

84. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.32.

85. The draft decision was adopted.

PREPARATORY ARRANGEMENTS FOR THE FOURTH GENERAL CONFERENCE, INCLUDING THE REVIEW OF ITS PROVISIONAL AGENDA (continued) (IDB.8/37; IDB.8/L.41)

86. The PRESIDENT, in submitting the draft decision in document IDB.8/L.41, drew the Board's attention to the square brackets under paragraph (a). It was the understanding that, after the closure of the session, the Rapporteur would review those draft decisions calling for action to be taken by the General Conference. The Rapporteur would then be able to complete the list of additional items to be included in the provisional agenda of the General Conference.

87. With that proviso, and in the absence of any objections, he would take it that the Board wished to adopt the draft decision contained in document IDB.8/L.41.

88. It was so decided.

PROVISIONAL AGENDA FOR AND DATE OF THE FOURTH SPECIAL SESSION (IDB.8/L.39 and L.40)

89. The PRESIDENT reminded the Board that, in accordance with decision IDB.5/Dec.46 concerning the conduct of business and rationalization of

proceedings of the Board, the provisonal agendas for the regular sessions should be drawn up in biennial groups by a special brief session of the Board following the General Conference. In that connection, he submitted draft decision IDB.8/L.39 for the Board's consideration.

90. Draft decision IDB.8/L.39 was adopted.

91. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.40 concerning conduct of business and rationalization of procedures. The word "regular" should be added before the word "session" in paragraph (d) of the draft decision.

92. With that revision, draft decision IDB.8/L.40 was adopted.

93. The PRESIDENT suggested that the Board should also decide that its ninth regular session should be held from 18 to 22 May 1992.

94. It was so decided.

COMPUTERIZATION PROGRAMME OF UNIDO (continued) (IDB.8/3, 5, 6, 12, 19 and 48; IDB.8/L.36 and L.37)

95. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.37.

96. The draft decision was adopted.

97. The PRESIDENT drew the Board's attention to draft decision IDB.8/L.36, entitled "Computerization programme of UNIDO: follow-up of the recommendations of the External Auditor".

98. Mr. MANSINGH (India), speaking on behalf of the Asian Group, proposed that in paragraph (b) of document IDB.8/L.36 the word "Director-General" should be replaced by "Secretariat".

99. Mr. VETTOVAGLIA (Switzerland) said it seemed to his delegation that the Director-General had realized that there was a mood of revolt among Member States. During the current session of the Board, a number of delegations had gained the impression that he understood the need to change his attitude, offering Member States more dialogue and transparency. There was a widely-shared feeling that there was now a new climate, without which the decision just adopted on the computerization programme of UNIDO (IDB.8/L.37) could not have been achieved.

100. Against that background, he wondered whether it was an appropriate time to make a personal accusation against the Director-General. Would it not be wiser to promote reconciliation rather than perpetuate confrontation? He therefore appealed to all delegations to demonstrate a spirit of generosity and reconciliation for the good of UNIDO.

101. He supported the amendment proposed by the representative of India on behalf of the Asian Group.

102. Mr. SAVIC (Yugoslavia) said that his delegation also wished to support the proposal of the representative of India.

103. Mr. ANGUIANO ROCH (Mexico) said his delegation objected to the proposal for an amendment to a draft decision which had been agreed by consensus in the drafting group. The representative of Switzerland had made a valuable statement. The problem was certainly not a personal one; however, it would be undesirable to reopen a debate on such a difficult matter. The Board should therefore retain the text of the draft decision as it had been agreed upon in the drafting group.

104. Mr. KHERBI (Algeria) said that it was important to consider all the implications of any draft decision. His delegation thought that the language of paragraph (b) was excessive, and in excess there was always subjectivity. He supported the amendment proposed by the representative of India and associated himself with the appeal by the representative of Switzerland.

105. Mr. ANGUIANO ROCH (Mexico), raising a point of order, expressed the view that the debate on a negotiated draft could not be reopened.

106. Mr. CSERVENY (Hungary) said that his delegation had been a co-sponsor of the draft decision. The text clearly reflected the concerns regarding the financial conduct of the electronic data-processing programme indicated to the Secretariat and the Director-General by Member States. However, the Board should not go beyond the points raised in the External Auditor's report and should refrain from any personal attack on the Director-General. His delegation supported the amendment proposed by India.

107. Mr. GUTIERREZ LEYTON (Chile) said that, under rule 36 of the Board's rules of procedure, the point of order raised by the representative of Mexico should be immediately decided by the President in accordance with the rules of procedure.

108. The PRESIDENT said that another draft decision had been amended before adoption. It was his understanding that any member could comment on any draft text produced as a result of informal consultations. It was for the Board to accept or reject any amendment.

109. Mr. WOTAVA (Austria) supported that interpretation. His delegation associated itself with the views expressed by Switzerland, Algeria and Hungary. The language used in paragraph (b) of the draft was excessive, and his delegation supported the amendment proposed by India.

110. He appealed to the authors of paragraph (b) to join in a consensus on the text as amended by India.

111. Mrs. RODRIGUEZ (Cuba) felt that the amendment proposed by India was substantive in nature; her delegation would find it hard to accept such an amendment. The draft text reflected a consensus achieved not only after hours of discussion in the drafting group, but after months spent on studying the issue.

112. Mr. PENNAROLA (Italy) endorsed the statements and the appeals made by the representatives of Algeria, Austria, Hungary and Switzerland.

113. Mr. NEWLIN (United States of America) said that his delegation had listened with great interest to the statements made by Switzerland, Algeria, India, Austria, Hungary and others. It was well known that his delegation had grave reservations concerning paragraphs (b) and (c) of the draft and would have preferred the exclusion of both. His delegation supported the Indian amendment.

114. Mrs. TALLAWY (Egypt), Chairman of the drafting consultations, drew attention to rule 49,

paragraph 1, of the rules of procedure: "The Board shall make every effort to ensure that all its substantive decisions are taken by consensus". She thought that the Board should approve the text as it stood; delegations could state any reservations for reflection in the record. It would be advisable to avoid the need for voting.

115. The amendment proposed by India would lay the blame on the entire Secretariat, which would be unfair. The mention of the Director-General related to his responsibility for running the Organization and should not be taken personally. She trusted that the record of the meeting would reflect that point.

116. The matter was a very sensitive one and it would be inadvisable to reopen the discussion and resort to a vote.

117. Mr. LAVIÑA (Philippines) said that his delegation's first impulse would be to delete paragraphs (b) and (c) of the draft. In the interest of a consensus, however, his delegation would support the Indian amendment. It endorsed the views expressed by Switzerland and other delegations.

118. In his view, draft decisions proposed by the drafting group were recommendatory and submitted to the plenary meeting for acceptance or rejection.

119. He would point out that the External Auditor had not attributed personal fault; the Board should not go beyond the External Auditor's findings.

120. His delegation would reluctantly invoke paragraph 2 of rule 49 if a consensus could not be reached.

121. Mr. BYKOV (Union of Soviet Socialist Republics) said that his delegation supported the amendment to the draft decision proposed by India. He regretted the emergence of political considerations that were at variance with the real objectives of the Organization.

122. Ms. BYANYIMA (Uganda) expressed concern that the matter had been reopened after lengthy discussion in informal consultations. A consensus had been reached with much difficulty and she could not understand why some delegations had changed their minds. Her delegation had originally felt that paragraphs (b) and (c) were unnecessary and did not in any way enhance the draft decision, but had followed the consensus view. For a delegation to change its position would undermine the work of the Chairman of the drafting group.

123. She thought that the text should be adopted without amendment and that it should be placed on record that it was not intended as a personal attack on the Director-General; however, he was accountable as head of the Organization.

124. Mr. PLUG (Netherlands) supported the views expressed by the representative of Uganda. The text as submitted was a carefully constructed and complicated compromise. There was no reflection on the Director-General's honour, but he was accountable.

125. Mr. ISOUNIS (Greece) supported those remarks.

126. Mr. ANGUIANO ROCH (Mexico) stressed that the draft text merely highlighted a particular shortcoming in the management of the Organization.

127. Mr. CHEN Shiqiu (China) said that his delegation supported the amendment proposed by India. The Chinese delegation could not fully support the view expressed in paragraph (b) of document IDB.8/L.36.

128. The amendment had been proposed by the representative of India on behalf of the Asian Group and had the support of other delegations. He thought that wording which caused disputes among delegations should be eliminated. Otherwise voting would be necessary, and his delegation agreed that a vote should be avoided.

129. Viscount VILAIN (Belgium) said that his delegation fully endorsed the views expressed by the representatives of Egypt, Uganda and the Netherlands. His delegation had originally introduced the draft decision to which paragraph (b) had subsequently been added, and had been satisfied with the draft text without paragraph (b). The paragraph had been included after extensive discussion and the amended text had been adopted without objection. He was surprised that the delegations which now wished to alter the text had not spoken up earlier during the drafting procedure.

130. He wondered how the "Secretariat" could be held responsible, as would be the case if the Indian amendment were adopted. It had already been recognized in the statement heard under agenda item 17 that the Director-General, as the chief administrator, had "overall responsibility and authority to direct the work of the Organization".

131. The wording of document IDB.8/L.36 was not designed to be taken as a personal indictment of the Director-General, but referred to his function.

132. He urged delegations to avoid a vote on the subject.

133. Mr. TAIANA (Argentina) said that his delegation supported the draft decision in substance; however, he thought that one should avoid introducing personal elements into draft decisions. He felt that the Indian amendment could be accepted, in line with the appeals made by many delegations, in order to depersonalize the draft decision, particularly as the issues involved were still under study.

134. Mr. SIAZON (Director-General) said that paragraph (b), as it read, was not factually correct. To state that the Director-General "allowed UNIDO" to do something implied that he knew about the situation beforehand. The Board had a report by the External Auditor which clearly indicated that the Director-General had not been fully informed. UNIDO regulations allowed for delegation of authority. The text would have been more correct and fair if it had read: "the Director-General did not prevent UNIDO ...".

135. Mr. KIMURA (Japan) said that his delegation was satisfied with the draft as it stood and supported the views expressed by Egypt. Those delegations that now wished to amend the text had had ample opportunity to raise the matter in the drafting consultations or the Bureau.

136. Mr. OSTERGAARD-ANDERSEN (Denmark), speaking on behalf of the four Nordic countries, said that the Nordic countries did not wish to break the consensus and have to vote on the issue. They wished to place on record their support for the spirit of reconciliation expressed by Switzerland and Hungary.

137. Mr. RIBEIRO DA SILVA (Brazil) said that his delegation fully shared the views put forward by the representatives of Egypt and Belgium. It would not be wise to reopen discussion of a subject already debated at length by the drafting group. He hoped that a spirit of mutual respect would prevail and that there would be no need for a vote. Acceptance of the text would be in line with Article 11.3 of the Constitution, which made the Director-General responsible for the work of the Organization.

138. MR. KAMEL (Turkey) said that he fully understood the considerations behind the amendment proposed by the Indian delegation and the appeal addressed to the Board by the Swiss delegation. However, a consensus had been reached in the drafting group on the basis of a compromise. The compromise text submitted was not intended as an affront to the Director-General, and he agreed with the view that delegations with reservations regarding the text should be content to have them reflected in the records.

139. Mr. GUTIERREZ LEYTON (Chile) said that two concerns of his delegation had always been, firstly, not to personalize debates and, secondly, to seek ways of strengthening the Organization. The problem under discussion was a serious one and he agreed with the Belgian delegation that it would be unfortunate to reopen the debate and have a vote. He supported the suggestion made by the representative of Egypt.

140. Mr. MOHAMMED (Nigeria) thought that the wording of paragraph (b) of document IDB.8/L.36 would be too strong if the reference was to a person. He supported the amendment proposed by the Indian delegation and endorsed the appeal for the Board to adopt a conciliatory attitude.

141. Mr. CONSTENLA (Costa Rica) said that the drafting group had spent many hours reaching a consensus. When the draft had been submitted to the Expanded Bureau, reservations had been expressed but the consensus had been maintained. There was no desire to personalize the debate, but a director-general must accept responsibility for what happened in his organization.

142. Mr. BOKONGA (Zaire) said that when an agreement was reached in negotiations it should be adhered to. The meaning of the wording proposed by India - "the Secretariat allowed UNIDO to enter into certain financial obligations ..." - was not clear.

143. Mr. WOTAVA (Austria) said that, in the hope of enabling consensus to be achieved, he would like to propose that the wording "the Director-General did not prevent UNIDO ..." should be used.

144. Mrs. TALLAWY (Egypt) thought that it was essential to abide by a consensus achieved in consultations and accepted by the Bureau. If necessary, she would introduce a motion that no vote should be taken.

145. The text could be kept as in document IDB.8/L.36 and a statement of clarification adopted.

146. The PRESIDENT said that he would suspend the meeting to allow consultations.

The meeting was suspended at 11.55 p.m. and resumed at 1.05 a.m.

147. The PRESIDENT said that, following informal consultations, it was proposed that draft decision IDB.8/L.36 should be adopted as it was, together with the following statement made by the President in consultation with and on behalf of the Board, which would be annexed to the decision: "Considering that the authority to commit the Organization in regard to electronic data processing was delegated, the regret expressed in paragraph (b) of document IDB.8/L.36 does not in any manner or form constitute a reflection on the person or integrity of the Director-General of UNIDO".

148. It was so decided.

ADOPTION OF THE REPORT OF THE EIGHTH SESSION (IDB.8/L.34)

149. Mr. SCHRODER (Germany), Rapporteur, introducing the draft report on the work of the session (IDB.8/L.34), said that it consisted mainly of the decisions adopted. The summary records, in which the discussions would be reflected, were an integral part of the report. The draft report necessarily contained blanks, and he requested that he should be authorized to complete the report, with the cooperation of the Friends of the Rapporteur, after the session.

150. The PRESIDENT suggested that the draft report should be adopted as a whole on the understanding that the Rapporteur would be entrusted with finalizing the text, in consultation with the Friends of the Rapporteur, after the closure of the session.

151. It was so decided.

SUSPENSION OF THE SESSION

152. The PRESIDENT drew attention to document IDB.8/L.27, containing a draft decision under which the Board would decide to resume its eighth session on 23 August 1991.

153. Draft decision IDB.8/L.27 was adopted.

154. The PRESIDENT gave the floor to the Director-General for a closing statement.

155. Mr. SIAZON (Director-General) said that closing statements provided an opportunity to take stock, and that the present moment was a good one to reflect openly on the problems facing UNIDO. As he saw it, the root of the Organization's problems was the perception, right or wrong, that the Secretariat was uncooperative, unreliable and incapable of doing anything right. For those and other perceived failures, the Secretariat had been rebuked and ridiculed. Its initiatives were frequently dismissed out of hand and it was set impossible tasks with little guidance on how to perform them, or where to find the financial resources. The Secretariat's difficulties were compounded by the inclination of some Member States to involve themselves in the day-to-day management of the Secretariat. The result was a demoralized and demotivated Secretariat and an Organization on the brink of collapse. That was too high a price to pay.

156. The Secretariat had committed errors, and acknowledged them, but it had also sincerely attempted to find solutions. The Secretariat was prepared to go to any length to find technically viable, financially sound and politically

acceptable solutions. He failed to understand how personal attacks on the Director-General could advance that aim.

157. Efficient management of the Secretariat was certainly the direct responsibility of the Director-General, but it was not facilitated by the interference of some Member States in the Secretariat's daily work or by the failure of others to meet their financial obligations. He would not hesitate to assume sole responsibility for the Organization's present predicament if all Member States had fully discharged their responsibilities towards the Organization. Member States and the Secretariat had a shared responsibility towards UNIDO, and that meant working together for the benefit of the Organization and for the achievement of the common goal - the betterment of human life through industrialization.

158. On his part, the Director-General gave every assurance that he would maintain and improve the dialogue with Member States on all aspects of UNIDO's work. He would endeavour to engender a true spirit of trust and understanding with Member States which he hoped would be reciprocated. He stressed that Member States and the Secretariat could not afford to be a congress of different and hostile interests, but a deliberative assembly of one interest - the common good of their constituents. He trusted that renewed commitment and true cooperation would guide them towards their common goal.

159. The Board seemed finally to have achieved some measure of compromise and consent. That was thanks to the skilful stewardship of the President and his Bureau and the adept handling of the informal consultations by Mrs. Tallawy. Finally, he wished to pay tribute to the staff of UNIDO, who had served Member States with unflagging commitment throughout a continual series of crises.

160. The PRESIDENT said that he felt honoured and privileged to have been offered the opportunity to preside over the proceedings of the eighth session of the Board. As the Board came to the end of its work, he would like to share with it his observations on the outcome of its deliberations.

161. It was true and normal that, because of different perceptions and approaches to various problems, discussions had been difficult at times, but members had not allowed that to derail them from their common objectives. Fortunately, collective responsibility and the common search for acceptable solutions to the complex problems of economic development and industrialization had been the guiding beacons.

162. The changes taking place in the world at the present time all seemed to be concerned with reforms of all types, and those, in the end, should benefit all the peoples concerned. The Board should never lose sight of that goal.

163. The Board had deliberated on items ranging from new approaches to and problems of industrialization to the organizational and staff changes in UNIDO, and had taken decisions that were binding for all the Member States, and those would assist and give guidance to UNIDO in its future work. He would like to point out, however, that the promotion and acceleration of industrial development in the developing countries could not be realized without the wholehearted support of the international community, especially the developed countries. He was confident that the Director-General of UNIDO would be able to mobilize and marshal the forces needed to carry out the tasks laid down.

164. Without exception, all delegates in one way or another had referred to the prevailing difficulties in the international economic system. It was, therefore, obvious that an isolated approach to the problem of industrialization could not bear fruit. The solution lay in a global approach and required a climate of understanding and trust. That did not ignore the need for intensified efforts by individual countries to enhance the economic performance of their economies. Greater emphasis should also be placed on industrial cooperation among developing countries. In that regard the services of UNIDO were highly laudable, in the area of arranging meetings, workshops and seminars. The Organization had amply demonstrated its ability to interpret and deal with the complexities of international industrial cooperation.

165. It was his humble opinion, as President of the session, that the decisions reached and the views expressed in the past days reflected a commitment on the part of Member States to the objectives and endeavours of UNIDO. The Board urged the Director-General to ensure the realization of its decisions, and wished him every success in his efforts.

166. He would also like to take the opportunity to pay tribute to the dedication and outstanding commitment of all those whose selfless efforts had contributed positively towards making the eighth session of the Industrial Development Board a success. He also wished most heartily to thank the Director-General of UNIDO and his entire Secretariat, whose untiring efforts and cooperation had contributed significantly to the success of the session. His special thanks were extended to Mr. Yuri Kostenko, Mr. Manuel Constenla and Mr. R. Schröder for their cooperation and assistance, which had greatly facilitated his tasks; and to Mrs. M. Tallawy, who had taken on the task of chairing the drafting consultations, which required boundless patience, knowledge and time.

167. After a week of hard and persistent work, and the holding of many meetings which had often ended late at night, the sweetest thing he could offer and wish for members was the sweet dream, the sweet dream of freedom of thought and action, the sweet dream of the end of all discrimination imposed on humanity, the sweet dream of a permanent peace and the disappearance of the nightmare of war from the face of the earth, the sweet dream of the termination of the dominance of the oppressor over the oppressed, the sweet dream of the realization of solidarity and unity among human beings, and finally the materialization of that verse from the Koran: "You people grip fast to the rope which I have made available to you, and do not separate yourselves from one another".

168. Mr. RIOBO PIÑONEZ (Chile), speaking on behalf of the Group of 77, Mr. POPOV (Bulgaria), speaking on behalf of Group D, Mr. PLUG (Netherlands), speaking on behalf of the countries of the European Community, and Viscount VILAIN (Belgium), speaking on behalf of the Western European and

other countries, thanked the President for the manner in which he had conducted the Board's proceedings and paid tribute to all who had enabled the Board to bring its work to a successful conclusion.

169. Mr. GUO Xianzhi (China) paid tribute to the President, to the Bureau and to Mrs. Tallawy, who had made a distinguished contribution in chairing the Drafting Committee. He thanked all the Secretariat staff for their hard work.

170. The staff of UNIDO had no reason to feel demoralized. They had an important mandate, and UNIDO was a young organization with a bright future ahead.

171. The PRESIDENT declared the session suspended.

The meeting rose at 1.35 a.m. on Saturday, 6 July 1991.